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#### ARTICLES:

(1) Futenma relocation: JDA top official transmits revision of V-shaped plan to prefecture that would be within scope of Japan-US agreement; Plan is to move toward the weed beds; Proposes plan 100-meters from shore

RYUKYU SHIMPO (Top play) (Full)  
December 28, 2006

With Okinawa Governor Hirokazu Nakaima opposed to the plan to build a V-shaped runway for the relocation of Futenma Air Station, the

Defense Agency (JDA) as of Dec. 27 has informally transmitted to the prefecture its thinking that "although a settlement was reached in Japan-US consultations, there is a possibility of revising the plan within that scope." The prefecture appreciated the government's stance and has begun to give positive consideration to accepting the relocation of Futenma Air Station to the shores of Camp Schwab. A top official at JDA last evening said: "There is no need to stick to the (original) plan. (The runway) need not be on the seaside; if we move it over in the direction of the shallow seaweed bed, it would be easier to build than in a deeper area. It would be better to change to the restricted water area." The official indicated that JDA was thinking of moving the runway site to within the water area where seaweed is growing on the opposite side of Oura Bay that is next to Camp Schwab. JDA has proposed the plan as a trial balloon to some of the heads of towns and villages in the northern part of the main island of Okinawa.

JDA Director General Kyuma as of Dec. 27 has transmitted his thinking to some local heads in Okinawa, saying, "If the prefecture will accept it, a minor revision (of the current V-shaped runway plan) would be all right with me."

A senior JDA official on the evening of the 24th, just prior to the meeting of the Futenma Airfield Relocation Measures Council, met the local heads from the northern part in the city and showed them the plans for moving the runway 100 meters. The plans put the runway up against Nagashima Island that is off Henoko Point.

At the meeting, a top JDA official said: "It is impossible when the environmental aspect is considered. We should follow the thinking of the previous JDA director general." He took a negative view toward moving the location into the sea. Governor Nakaima and Nago City Mayor Shimabukuro were not present at the meeting.

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The trial-balloon plan, drafted by officials in JDA, reflected the wishes of Director General Kyuma. However, JDA denies that it has proposed the new plan to local authorities in Okinawa.

Regarding the plan to move the location into the sea, a local government head from the northern part of the island pointed out: "It would seem to have a slim chance of implementation, since the reason for considering locating the runway on the shoreline was to avoid an (environmental) protest movement." Governor Nakaima said: "I haven't heard about it. It might be a bit too impractical. I have not yet had the chance to evaluate it."

A top prefectoral official took the view that reaction to the revision would be positive if three provisions were fulfilled: 1) it would not affect the residents living nearby by noise or other problem; 2) there would be a minimum destruction of the environment; and 3) the efficacy of the relocation were guaranteed.

The reason why Director General Kyuma indicated his intention to make minor changes (in the plan) seems to be out of consideration for the opposition by Governor Nakaima, as well as the concerns by the residents of Nago City and vicinity about noise from the US military aircraft destroying their living environment.

(2) JDA considering revising plan for Futenma relocation; Proposes to local heads moving site 100 meters into sea

MAINICHI (Page 1) (Full)  
December 28, 2006

In connection with the issue of relocating the US forces' Futenma Air Station to the shoreline of Camp Schwab (Nago City, Okinawa Prefecture), it has been learned that the Defense Agency (JDA) has proposed to some local heads in the northern part of Okinawa Prefecture a revision of the shoreline plan that would move the facility about 100 meters seaward. Since Governor Hirokazu Nakaima will not change his mind about opposing the shoreline plan, it appears that JDA has begun to consider a revision of the plan that would elicit Okinawa's concurrence to the relocation. This would be the first time for the government to propose a change in the plan.

According to an informed source, early this month, JDA officials met informally with some of the heads of local governments in the northern part of the main island of Okinawa and showed them the plans for relocating the site of the V-shaped double runway about 100 meters seaward. Neither the governor nor the mayor of Nago City, Yoshikazu Shimabukuro, were present. One of the local heads present said, "I took it from what they said that the agency was at the stage of studying it."

Governor Nakaima at a press conference said this about the shoreline plan: "There needs to be some fine-tuning now as to how far it can be changed." He hinted that with changes in the plan, his stance might turn toward accepting the relocation.

### (3) Malfunctioning Team Abe: Leader nowhere in sight

MAINICHI (Page 5) (Abridged slightly)  
December 27, 2006

At the Japanese restaurant Kakyoutei in Akasaka, Tokyo, on the night of Dec. 13, Chief Cabinet Secretary Yasuhisa Shiozaki spoke to House

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of Representatives member Yasutoshi Nishimura and other junior lawmakers:

"The issue of shifting tax revenues for road projects to the general budget has now been settled. We have to continue pushing ahead with reforms. I want you to give me your ideas."

On the night of Dec. 11, Shiozaki dined with Senior Vice Finance Minister Shigeyuki Tomita, a member of the New Komeito, the ruling Liberal Democratic Party's (LDP) junior coalition partner, and other lawmakers at the Japanese restaurant Sato in Akasaka. One of the attendees asked: "I believe that it has been decided that most tax revenues earmarked for road construction will be used for general purposes. Isn't that so?" Shiozaki replied: "Your are right, but the public does not understand that."

After Abe decided to reinstate postal rebels into the LDP, the Prime Minister's Official Residence (Kantei) proposed using tax revenues, including the gasoline tax, that are now used for highway projects, for general purposes instead, in a bid to avoid the public criticism that the reform drive was losing momentum. Faced with strong resistance by LDP lawmakers connected to road construction interests, the Kantei has had to make significant concessions to the ruling coalition. Shiozaki, who worked as a kind of "control tower" in coordinating views between the Kantei and the ruling camp, bore the brunt of the criticism.

A source connected with the Finance Ministry expressed displeasure:

"Mr. Shiozaki told us that the Finance Ministry's groundwork was not enough. But we were unable to lay the groundwork for the road construction tax issue since the Kantei was not tough enough in laying out its plan. We did not know with whom we should confer. When working on the issue under Mr. Shiozaki's instruction, different persons told us different views."

Team Abe, made up mainly of junior and mid-level lawmakers, including five special advisors to the prime minister, lacks the strategic ability to implement policies, as it was seen in handling the road tax revenues issue. The team does not function well because its skills to coordinate views with the ruling coalition and the Kasumigaseki are limited.

Shiozaki asked Special Advisor on Public Relations Hiroshige Seko around the time when criticism was growing in the ruling camp: "I have to go talk to the LDP. I may come under heavy fire. I want you to support me." Seko reportedly declined to back him up, saying, "I cannot do anything unless you tell me your strategy and what the common ground is."

Of course, there were issues that were resolved under Kantei leadership. One of them is the policy that political parties

continue to refrain voluntarily from receiving donations from banks. Shiozaki met on the night of Dec. 16 secretly with LDP Secretary General Hidenao Nakagawa to ask him to agree to continue this policy.

Shiozaki told Nakagawa:

"The prime minister thinks that the exercising of self-restraint should be continued. The leading banks which got public funds to expose non-performing loans will be unable to pay taxes for five or six years more on average. Do you think we can get the public

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understanding for donations from such banks?"

Nakagawa responded:

"What is the Kantei trying to do? An Upper House election will be conducted next year. I think it is all right to accept donations because they are legal. Unless we receive donations from leading banks, regional banks will not contribute money."

Three days later, Nakagawa announced that the LDP had decided to accept Shiozaki's request followed by the prime minister's instruction. He reportedly decided on that policy line during his meeting with Shiozaki. A government official felt easy about Nakagawa's announcement, thinking that this would not boost public support ratings, but one potential cause for a sliding support rate has now disappeared.

The previous government was composed of Koizumi's aides and called "Koizumi's store." Sources connected with the government call Team Abe a "department store." One source said:

"Various specialty stores in the department store are making effort to boost their own sales, but they don't consider sales of the whole store. I don't know who is holding up the government."

(4) Three months of Abe administration: No prospects in sight for settlement of abduction issue

NIHON KEIZAI (Page 2) (Full)  
December 27, 2006

"There was no progress," Foreign Ministry's Asian and Oceanian Affairs Bureau Director General Kenichiro Sasae plainly told Shigeru Yokota, the father of Megumi, an abduction victim, and others in the Cabinet Office building yesterday. Sasae, with a note in his hand, reported on the results of the latest round of six-party talks, in which he participated as Japan's chief delegate.

The six-party talks held in Beijing for five days starting on Dec. 18 ended without any positive results. No bilateral talks were held between Japan and North Korea, either. Teruaki Masumoto, chief of secretariat of the Association of the Families of Victims Kidnapped

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by North Korea, said in a strong tone, "Even if North Korea doesn't show up, the six-party talks should be held once a month," but Sasae would not commit himself.

Prime Minister Shinzo Abe has designated the settlement of the abduction issue as his top priority task. His resolute posture toward North Korea being highly appreciated, Abe was awarded the top post in the government. If the nuclear standoff with North Korea lasts much longer, the image of his government may be seriously undermined.

In an effort to avoid clashing head on with North Korea, China and South Korea have taken a conciliatory stance toward it. Foreign Vice Minister Shotaro Yachi stressed, "Japan will continue to apply pressure while keeping the door open to negotiations." But Japan has already taken economic sanctions independently, so it has now a limited hand to use against the North.

Although Japan's relations with China and South Korea were strained

over former Prime Minister Junichiro Koizumi's annual visits to Yasukuni Shrine, Abe's surprise visits to these two countries in

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October, just after his assuming office as prime minister, contributed to improving ties to a considerable extent. Even so, these two Asian countries have yet to apply pressure on North Korea. A government source said, "There is no other way but to ask the US to work on China and South Korea to make a policy shift."

On the night of Dec. 16, on the eve of the start of the latest six-party talks, Yoshiyuki Inoue, a secretary to the prime minister (for political affairs), and Assistant Deputy Chief Cabinet Secretary Hiroyasu Ando invited United States Assistant Secretary of

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State Christopher Hill, chief US nuclear negotiator, to a Japanese restaurant in Yaesu, Tokyo.

Inoue explained to Hill about the prime minister's enthusiasm toward the abduction issue and sought his understanding about Japan's willingness to take up the issue during the six-party talks. Hill reportedly replied, "I want you to convey to the prime minister these words of mine, 'I fully understand Japan's position. Don't worry.'"

Former Prime Minister Koizumi, based on his strong personal ties with President Bush, succeeded in establishing a "honeymoon alliance" with the US. The Abe administration is also aiming to build such a relationship of trust with the US.

But the US government, preoccupied with the Iraq issue, could change its current policy toward North Korea. Some government officials voiced concern about "possible mutual compromises between the US and North Korea." Yachi asked US officials behind the scenes not to make a policy switch.

Should no breakthrough occur in the ongoing standoff between the US and North Korea, talks on the nuclear issue would remain at a standstill. However, if the two countries find common ground, a nuclear crisis would surely recede. In that case, Japan might find itself isolated.

A senior Foreign Ministry official said, "Even if North Korea scraps its nuclear programs and heads toward democratization, Japan will not normalize diplomatic ties with the North as long as the abduction issue remains unresolved. We must let Pyongyang fully know this point."

Can Japan draw China and South Korea over to its side while enhancing cooperation with the US? As it stands now, there are no prospects are in sight for the Abe administration to live up to its public pledge.

(5) Editorial: "Resignation dominos" reveals weakness of Abe administration

TOKYO SHIMBUN (Page 5) (Full)  
December 28, 2006

The government of Prime Minister Shinzo Abe has disclosed its weakness just three months after it was inaugurated. Following the Government Tax Commission chairman, the state minister in charge of administrative reform resigned. In hindsight the prime minister's responsibility for appointing them is now being questioned. It will take a long time before the government is able to recover public confidence in it.

In addition to administrative reform, Genichiro Sata was also in

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charge of reform of the public servant system, regulatory reform and the regional bloc system (doshusei). All the more because these issues will become major campaign issues in next year's House of

Councillors election, Sata's resignation has dealt a terrible blow to the Abe government.

Sata, who is now serving in his sixth term in the House of Representatives, joined the cabinet for the first time (three months ago). The reason for Sata being forced to resign is the allegation that one of his political support organizations submitted fraudulent funding reports of political contributions.

The political group reportedly claimed 78 million yen in expenses, including utilities, for an office for which there was no record of a lease.

At a press conference Sata gave a pointless explanation.

According to Sata, he confirmed that the political group had paid rent and expenses for political activities and that the office had existed. He also admitted that the political group engaged in inappropriate accounting of political contributions. He said that he would resign to take responsibility for causing public misunderstanding and distrust.

However, he did not disclose the details about the inappropriate accounting of reported political funds, as well as the amount of the political donations. He also did not unveil the details of the actual expenses. The political group submitted the false political funds reports from 1990 to 2000. It is said that the statute of limitations has run out legally, but it can't be helped that Sata's qualification to be a politician has been called into question since he failed to fulfill his accountability for the scandal.

Sata reportedly was appointed a cabinet member because of his efforts to support Abe in the September presidential election of the Liberal Democratic Party (LDP). Abe appointed many cabinet members as a reward for backing him in the election. It can be said that the reward-oriented appointment has now come back to haunt the Abe administration. The prime minister must regret not going through a background check for Sata.

It was fortunate for the prime minister that Sata made up his mind to step down two days after the disclosure of the scandal. The Prime Minister's Official Residence and the ruling LDP placed priority on preventing the opposition's pursuit of the government in the regular Diet session to be convened in January, as well as adverse effects on next year's unified local elections and on the Upper House election. The price of mismanagement is high.

Some other cabinet ministers are suspected of being involved in money scandals. Cabinet members, including Sata's replacement, should prepare themselves for a chain of resignations, causing "public misunderstanding and distrust."

There is concern about the government's lack of a sense of tension. The public must be fed up with pitiful political knockabouts. The prime minister's words -- "a beautiful country" or "an assertive politician" -- have a hollow ring. He should not assume that the political atmosphere will change for the better next year.

DONOVAN